

**PRESS RELEASE**

**INTESA SANPAOLO: CONSOLIDATED RESULTS AT SEPTEMBER 30<sup>th</sup> 2012**

**INTESA SANPAOLO: ALREADY FULLY BASEL 3 COMPLIANT (CAPITAL AND LIQUIDITY), CORE TIER 1 RATIO AT 11,1%; OPERATING MARGIN +17.8%, THE HIGHEST SINCE 2009**

• **ONE OF THE FEW BANKS IN THE WORLD ALREADY BASEL 3 COMPLIANT IN TERMS OF LIQUIDITY AND CAPITAL RATIOS**

• **STRONG AND IMPROVING CAPITAL BASE, WELL ABOVE REGULATORY REQUIREMENTS**

<b>CAPITAL RATIOS:</b>	<b>11.1% CORE TIER 1 RATIO;</b>
	<b>11.9% TIER 1 RATIO;</b>
	<b>10.3% PRO-FORMA EBA CAPITAL RATIO</b>

• **ROBUST GROWTH IN OPERATING MARGIN, AT RECORD HIGH SINCE 2009, THANKS TO STRENGTHENED OPERATING INCOME AND DECREASING OPERATING COSTS**

<b>OPERATING INCOME:</b>	<b>+6.9% TO €13,387M VS €12,520M IN 9M 2011;</b>
	<b>€4,443M IN Q3, +7.6% VS €4,131M IN Q2</b>

<b>OPERATING COSTS:</b>	<b>-2.3% TO €6,616M VS €6,771M IN 9M 2011;</b>
	<b>€2,166M IN Q3, -3.4% VS €2,243M IN Q2</b>

<b>OPERATING MARGIN:</b>	<b>+17.8% TO €6,771M VS €5,749M IN 9M 2011;</b>
	<b>€2,277 IN Q3, +20.6% VS €1,888M IN Q2</b>

• **SIGNIFICANT GROWTH IN PRE-TAX INCOME DESPITE CONSERVATIVE PROVISIONING**

<b>INCOME BEFORE TAX FROM CONTINUING OPERATIONS:</b>	<b>+16.5% TO €3,224M VS €2,768M IN 9M 2011;</b>
	<b>€962M IN Q3, +31.6% VS €731M IN Q2</b>

• **DECREASE IN NET INCOME RELATED TO HIGHER TAXES**

<b>TAXES:</b>	<b>€1,232M VS €66M IN 9M 2011;</b>
	<b>€454M IN Q3 VS €152M IN Q2</b>

<b>NET INCOME:</b>	<b>-12.5% TO €1,688M VS €1,929M IN 9M 2011</b>
	<b>€414M IN Q3, -11.9% VS €470M IN Q2</b>

<b>• ADJUSTED NET INCOME <sup>(1)</sup>:</b>	<b>€1,331M VS €1,665M IN 9M 2011;</b>
	<b>€292M IN Q3 VS €289M IN Q2</b>

*Turin - Milan, November 13<sup>th</sup> 2012* – The Intesa Sanpaolo Management Board in today’s meeting approved the consolidated interim statement as at September 30<sup>th</sup> 2012 <sup>(2)</sup>.

In the first nine months of 2012, the Group delivered **solid results** in a challenging environment, based on a **strategy** that focuses on **sustainable profitability and the strengthening of the balance sheet**:

(1) Methodological note on calculation of adjusted net income on page 17.

(2) Methodological note on the scope of consolidation on page 17.

- **very strong and further improving capital base**: further strengthening of capital ratios (already well above regulatory requirements) at the end of September 2012, net of the dividends accrued in the first nine months of 2012. **Core Tier 1 ratio increased to 11.1%** vs 10.1% at the end of 2011; **pro-forma EBA ratio also increased to 10.3%**<sup>(3)</sup> from the 10.1% ratio of the EBA exercise conducted on the June 2012 figures and further above the 9% threshold – **this is amongst the highest across the European peers**; the **pro-forma common equity ratio under fully phased-in Basel 3 was at 10.5%**<sup>(4)</sup>;
- **high liquidity and strong funding capability**: liquid assets of 110 billion euro and a large availability of unencumbered eligible assets with Central Banks, corresponding to liquidity of 61 billion euro, at the end of September 2012; **already in compliance with Basel 3 Liquidity Coverage Ratio and Net Stable Funding Ratio requirements**, well ahead of deadlines (2015 and 2018 respectively);
- **direct deposits from banking business up 4.6%** from year-end 2011;
- **robust net income**: 1,688 million euro for the first nine months of 2012; **adjusted net income equal to 1,331 million euro** (versus 1,665 million euro in 9M 2011);
- **high double-digit growth in pre-tax income**: up 16.5% versus 9M 2011, notwithstanding the rigorous and conservative provisioning policy;
- **positive results from all business units**;
- **solid and increasing contribution from Wealth Management**<sup>(5)</sup> (1,043 million euro pre-tax income, +88% versus 9M 2011);
- **strong operating margin growth**: up 17.8% versus 9M 2011, to **6.8 billion euro, the highest nine-month operating margin since 2009**;
- **increasing operating income**: up 6.9% versus 9M 2011;
- **further reduction in operating costs**: down 2.3% versus 9M 2011, following five consecutive years of decrease; nominal savings of 155 million euro, which in real terms (i.e. net of inflation and contractual increase) equals to more than 385 million euro;
- **high efficiency**, with the **cost/income ratio down to 49.4%**, top level amongst European peers;
- **rigorous and conservative provisioning policy** in a deteriorating credit environment:
  - **loan loss provisions** of approximately 3.3 billion euro in 9M 2012, up 48% compared to 9M 2011, against a 33% increase in new doubtful and substandard loan,
  - an **increase in the coverage ratio of non-performing loans to 45%** (adjusted as a result of the doubtful loan disposal and the new past due regulatory changes) from 44.6% in 9M 2011 (Italian banking sector average: 37%),
  - a **strong reserve buffer on performing loans**, at 2,663 million euro, increased to a conservative 80 basis-point level versus the 70 basis points of 9M 2011.

The rigorous and conservative provisioning policy is reflected in the **high recovery rate of doubtful loans**, equal on average to **149%** of their net book value over the 2009 - 9M 2012 period.

(3) Estimated on the basis of the Core Tier 1 ratio as at September 30<sup>th</sup> 2012 and the impact of sovereign risk valuation at fair value based on volumes and prices as at September 30<sup>th</sup> 2011.

(4) Estimated applying the parameters set for 2019 to the financial statements as at September 30<sup>th</sup> 2012.

(5) Italian Private Banking, Insurance, Eurizon Capital and Banca Fideuram (including Fideuram Vita).

## **The income statement for the third quarter of 2012**

The consolidated income statement for Q3 2012 <sup>(6)</sup> recorded **operating income** of 4,443 million euro, up 7.6% from 4,131 million euro in Q2 2012 and up 16.9% from 3,800 million euro in Q3 2011.

In Q3 2012, **net interest income** - 2,317 million euro - was down 4.7% from 2,431 million euro in Q2 2012 and down 6.5% from 2,479 million euro in Q3 2011.

**Net fee and commission income** amounted to 1,333 million euro, up 0.8% from 1,322 million euro in Q2 2012. In detail, commissions on commercial banking activities were up 5.6%, those on management, dealing and consultancy activities (including portfolio management, distribution of insurance products, dealing and placement of securities, etc.) were up 2.9% - under which commissions on dealing and placement of securities were up 12.6%, those on portfolio management up 3.3%, and those on distribution of insurance products down 5.1% - while commissions on facilities granted were down 5.7%. Net fee and commission income in Q3 2012 was up 0.8% compared with 1,322 million euro in Q3 2011. In detail, commissions on commercial banking activities were up 4.4%, those on management, dealing and consultancy activities were up 1.8% - under which commissions on dealing and placement of securities were up 19.5%, those on portfolio management down 3.1%, and those on distribution of insurance products up 1.4% - while commissions on facilities granted were down 12.2%.

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(6) During the preparation of the interim statement at September 30<sup>th</sup> 2008, in the wake of the global financial crisis, certain amendments to international accounting standards were introduced and adopted by the European Commission. In short, in accordance with these amendments it is possible to reclassify - in specific circumstances considered to be rare - unquoted financial instruments, or no longer quoted, in an active market and no longer held for trading or available for sale: in particular, out of the category "fair value through profit and loss" into the categories "available-for-sale" or the "held-to-maturity" or "loans and receivables", and out of the category "available-for-sale" into the category "loans and receivables". The Group, largely basing on the prices at July 1<sup>st</sup> 2008, reclassified financial assets held for trading of 2,060 million euro into loans and receivables and 40 million euro into financial assets available for sale. If this reclassification had not been made, the profits/losses on trading for the third quarter of 2012 would have recorded 39 million euro as positive pre-tax impact (with a positive impact of 100 million euro in the first nine months of 2012, a negative impact of 11 million euro in full-year 2011, a positive impact of 92 million euro in full-year 2010 and 72 million euro in full-year 2009, and a negative impact of 459 million euro in full-year 2008). The Group also reclassified financial assets available for sale of 6,147 million euro into loans and receivables. Without these reclassifications, the shareholders' equity would have included 1,969 million euro as negative pre-tax direct impact at September 30<sup>th</sup> 2012 (with a positive impact of 193 million euro in the third quarter of 2012 and 279 million euro in the first nine months of 2012).

**Profits on trading** were 623 million euro (including a 327 million euro capital gain on the buy back of subordinated and senior notes), compared with 161 million euro in Q2 2012 (which posted a 94 million euro capital gain on the sale of the London Stock Exchange stake). Profits from customers amounted to 66 million euro from 65 million euro, profits from capital markets and AFS financial assets decreased to 66 million euro from 89 million euro (of which the aforementioned 94 million capital gain on disposal), profits from proprietary trading and treasury activities increased to 441 million (of which the aforementioned 327 million euro capital gain on buy back) from 2 million euro while profits from structured credit products rose to 50 million euro from 5 million euro. The 623 million euro profits on trading for Q3 2012 are compared with losses on trading of 74 million euro for Q3 2011, which recorded profits from customers of 87 million euro and losses of 22 million euro from capital markets and AFS financial assets, of 119 million euro from proprietary trading and treasury activities, and of 20 million euro from structured credit products. Without the IAS reclassification of financial assets held for trading into loans and receivables and financial assets available for sale made in past years, trading profits in Q3 2012 would have recorded a positive pre-tax impact of 39 million euro.

**Income from insurance business** amounted to 216 million euro, compared with 195 million euro in Q2 2012 and 50 million euro in Q3 2011.

**Operating costs** were at 2,166 million euro, down 3.4% from 2,243 million euro in Q2 2012, as a result of a 4.3% decrease in personnel expenses, a 3.3% reduction in administrative expenses, and a 3.2% increase in adjustments. Operating costs for Q3 2012 were down 3.1% from 2,235 million euro in the corresponding quarter of 2011, due to decreases by 2.2% in personnel expenses and 5.5% in administrative expenses, and a 0.6% increase in adjustments.

As a result, **operating margin** amounted to 2,277 million euro, up 20.6% from 1,888 million euro in Q2 2012, and up 45.5% from 1,565 million euro in Q3 2011. The cost/income ratio was 48.8% in Q3 2012 (52.6% excluding the capital gain on the subordinated and senior notes buy back), compared with 54.3% in Q2 2012 and 58.8% in Q3 2011.

Net **provisions** and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) amounted to 1,310 million euro, compared with 1,155 million euro in Q2 2012 and 1,348 million euro in Q3 2011. Net provisions for risks and charges amounted to 69 million euro, compared with 34 million euro in Q2 2012 and 18 million euro in Q3 2011. Net adjustments to loans came to 1,198 million euro, compared with 1,082 million euro in Q2 2012 and 695 million euro in Q3 2011. Net impairment losses on other assets came to 43 million euro, compared with 39 million euro in Q2 2012 and 635 million euro in Q3 2011 (including 593 million euro impairment on Greek government bonds).

**Profits/losses on investments held to maturity and on other investments** recorded losses of 5 million euro, compared with losses of 2 million euro in Q2 2012 and profits of 7 million euro in Q3 2011.

**Income before tax from continuing operations** amounted to 962 million euro, a 31.6% increase from 731 million euro in Q2 2012 and an approximately four-fold amount compared with 224 million euro in Q3 2011.

**Consolidated net income** was 414 million euro, compared with the 470 million euro of Q2 2012 (which posted a tax benefit of 173 million euro related to the refunding of the deduction of Regional Business Tax paid on labour cost from Corporate Income Tax taxable basis) and the 527 million euro of Q3 2011 (which included a tax benefit of 1,100 million euro from the recognition of deferred tax assets and the substitute tax charge relating to the realignment of intangibles, and charges, net of tax, of 483 million euro for integration and exit incentives) after accounting:

- taxes of 454 million euro;
- charges (net of tax) for integration and exit incentives of 11 million euro;
- charges from purchase cost allocation (net of tax) of 71 million euro;
- minority interests of 12 million euro.

**Adjusted net income** for Q3 2012 - excluding the main non-recurring items - was 292 million euro, compared with 289 million euro in Q2 2012 and 431 million euro in Q3 2011.

## **The income statement for the first nine months of 2012**

The consolidated income statement for 9M 2012 recorded **operating income** of 13,387 million euro, up 6.9% from 12,520 million euro in 9M 2011.

**Net interest income** for 9M 2012 amounted to 7,249 million euro, up 0.1% from 7,239 million euro in 9M 2011.

**Net fee and commission income** amounted to 3,972 million euro, down 3.8% from 4,127 million euro in 9M 2011. In detail, commissions on commercial banking activities registered a 2% increase, commissions on management, dealing and consultancy activities (including portfolio management, distribution of insurance products, dealing and placement of securities, etc.) decreased by 7% - with commissions on distribution of insurance products down 12.9%, those on portfolio management down 8.7% and those on dealing and placement of securities up 7.3% - and commissions on facilities granted were down 8.1%.

**Profits on trading** were 1,500 million euro (of which total capital gains of 695 million euro on the buy back of subordinated and senior notes, and the sale of the London Stock Exchange stake), compared with 747 million euro in 9M 2011 (of which total capital gains of 426 million euro on the sales of Prada and Findomestic stakes). Profits from customers decreased to 245 million euro from 276 million euro, those from capital markets and AFS financial assets declined to 257 million euro from 440 million euro (including the aforementioned capital gains on the Prada and Findomestic stakes), those from proprietary trading and treasury activities rose to 923 million euro (including the aforementioned capital gains on the buy back and the London Stock Exchange stake) from 14 million euro, and profits from structured products increased to 75 million euro from 17 million euro. Without the IAS reclassification of financial assets held for trading into loans and receivables and financial assets available for sale made in past years, trading profits in 9M 2012 would have recorded a positive pre-tax impact of 100 million euro.

**Income from insurance business** amounted to 669 million euro, compared with 335 million euro in 9M 2012.

**Operating costs** decreased to 6,616 million euro, a 2.3% reduction from 6,771 million euro in 9M 2011, with personnel expenses down 1.6%, administrative expenses down 4.4%, and adjustments up 2.4%.

As a result, **operating margin** amounted to 6,771 million euro, up 17.8% from 5,749 million euro in 9M 2011. The cost/income ratio for the period was 49.4%, an improvement compared with 54.1% in the corresponding period of last year (52.1% versus 56% excluding the aforementioned capital gains on buy back and sale of stakes).

**Net provisions** and adjustments (net provisions for risks and charges, net adjustments to loans, net impairment losses on other assets) amounted to 3,534 million euro, compared with 3,021 million euro in 9M 2011. Net provisions for risks and charges amounted to 140 million euro, compared with 112 million euro in 9M 2011. Net adjustments to loans came to 3,253 million euro, compared with 2,200 million euro in 9M 2011. Net impairment losses on other assets came to 141 million euro (including 29 million euro impairment on Greek government bonds), compared with 709 million euro in 9M 2011 (including 618 million euro impairment on Greek government bonds).

**Profits/losses on investments held to maturity and on other investments** recorded losses of 13 million euro, compared with profits of 40 million euro in 9M 2011.

**Income before tax from continuing operations** recorded 3,224 million euro, up 16.5% from 2,768 million euro in 9M 2011.

**Consolidated net income** was 1,688 million euro, down 12.5% from 1,929 million euro in 9M 2011 (which included a tax benefit of 1,100 million euro from the recognition of deferred tax assets and the substitute tax charge relating to the realignment of intangibles, and charges, net of tax, of 499 million euro for integration and exit incentives) - after accounting:

- taxes of 1,232 million euro (including a tax benefit of 173 million euro related to the refunding of the deduction of Regional Business Tax paid on labour cost from Corporate Income Tax taxable basis);
- charges (net of tax) for integration and exit incentives of 35 million euro;
- charges from purchase cost allocation (net of tax) of 220 million euro;
- minority interests of 49 million euro.

**Adjusted net income** for 9M 2012 - without the main non-recurring items - was 1,331 million euro, compared with 1,665 million euro in 9M 2011.

## **Balance sheet at September 30<sup>th</sup> 2012**

As regards the consolidated balance sheet figures, as at September 30<sup>th</sup> 2012 **loans to customers** amounted to 375 billion euro, down 0.5% from December 31<sup>st</sup> 2011 and down 1.7% from September 30<sup>th</sup> 2011 (down 3.3% taking into account average volumes instead of those at the end of the period, mainly as a result of the reduction in loans to large corporates). Total **non-performing loans** (doubtful, substandard, restructured and past due) - net of adjustments - amounted to 27,266 million euro, up 20.1% from 22,696 million euro at year-end 2011. In detail, doubtful loans rose to 10,689 million euro from 8,998 million euro at year-end 2011 (1,640 million euro of gross doubtful loans were sold without recourse in the first quarter of 2012 at a price - equal to their net book value - of approximately 270 million euro). Doubtful loans to total loans ratio was 2.9% (2.4% as at year-end 2011), and the coverage ratio was 61% (slightly down also due to the aforementioned sale from 64% as at year-end 2011). Total coverage was 124% taking into account **collateral and guarantees** to doubtful loans in addition to specific provisions. Substandard loans increased to 10,586 million euro from 9,126 million euro at year-end 2011. Restructured loans decreased to 3,107 million euro from 3,425 million euro at year-end 2011. Past due loans increased to 2,884 million euro from 1,147 million euro at year-end 2011, following regulatory changes to classification criteria (past due over 90 days vs over 180 days until December 31<sup>st</sup> 2011).

**Customer financial assets** were 789 billion euro (net of duplications between direct deposits and indirect customer deposits), up 3% from year-end 2011 and up 1.3% from September 30<sup>th</sup> 2011. Under customer financial assets, **direct deposits from banking business** amounted to 376 billion euro, up 4.6% vs year-end 2011 and up 1.2% vs September 30<sup>th</sup> 2011; **direct deposits from insurance business and technical reserves** amounted to 80 billion euro, up 8.7% from year-end 2011 and up 5.5% from September 30<sup>th</sup> 2011. Indirect customer deposits amounted to 412 billion euro, up 1.6% from year-end 2011 and up 1.3% from September 30<sup>th</sup> 2011. **Assets under management** totalled 227 billion euro, up 2.5% from year-end 2011 and up 1.3% from September 30<sup>th</sup> 2011. As for bancassurance, in 9M 2012, new business for life policies amounted to 8.4 billion euro (12.8% lower than in 9M 2011). Assets under administration and in custody amounted to 185 billion euro, up 0.6% from year-end 2011 and up 1.4% from September 30<sup>th</sup> 2011.

As at September 30<sup>th</sup> 2012, **capital ratios** were 11.1% for the Core Tier 1 ratio (year-end 2011: 10.1%), 11.9% for the Tier 1 ratio (year-end 2011: 11.5%) and 14.4% for the total capital ratio (year-end 2011: 14.3%). Capital ratios have been calculated by applying the Basel 2 Foundation approach, and the internal models to residential mortgages and the corporate portfolio (with floor at 85%), and deducting the nominal value of the savings shares. These capital ratios are net of the dividends accrued in the first nine months for year 2012, assuming the 75% of the 822 million euro distributed from reserves in 2012 for year 2011.

According to existing available information, the estimated pro-forma common equity ratio for the Group under **fully phased-in Basel 3** is at 10.5% – calculated by applying the parameters set for 2019 to the financial statements as at September 30<sup>th</sup> 2012 – with impact on the capital ratios comprising:

- 2.1 billion euro in total deductions from common equity assuming that the equity investment in the Bank of Italy is deducted and considering the expected absorption of deferred tax assets (DTAs) before the full phasing-in of Basel 3,
- an additional 12 billion euro of RWAs due to DTAs and investments in banks, financial entities and insurance companies which are below the deduction limit,
- an additional 2.5 billion euro of RWAs due to DTAs included in risks weighted at 100% (relating to loan adjustments and realignment of intangible assets), and
- an additional 5.9 billion euro of RWAs due to counterparty risks.

The estimated total impact of the above on the Core Tier 1 ratio is approximately 130 basis points (the actual impact is subject to the implementation of the relevant regulations). The impact is reduced to approximately 60 basis points considering the benefit from the optimisation actions on capital sources and requirements, as well as the absorption of sovereign risk shock.

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Thanks to the strategic decisions taken, **Intesa Sanpaolo** has confirmed its position as **one of the most solid international banking Groups**. In addition to the asset quality and level of capital ratios commented on above, the Group has continued to build on the following key strengths:

- a **robust liquidity profile** with
  - a large availability of unencumbered eligible assets with Central Banks, corresponding to liquidity of 61 billion euro at the end of September 2012. The Group's refinancing operations with the ECB to optimise the cost of funding amounted to 36 billion euro at the end of September 2012, entirely made up of three-year LTRO,
  - high level of liquid assets (made up of eligible assets available and eligible assets currently used as collateral) of 110 billion euro at the end of September 2012,
  - stable and well-diversified sources of funding, with nearly 80% of direct deposits from the banking business (including securities issued) generated from retail operations,
  - medium-long-term funding at the current date exceeding total 2012 maturities, with approximately 23 billion euro placed, of which approximately 14 billion euro were retail placement,
  - in the first ten months of the year, 6 billion euro of eurobonds and one billion euro of covered bonds were placed on international markets with a total demand - 75% from foreign investors - exceeding the issuance target by 180%;

- **low leverage and an adequate capital base** with
  - much lower leverage and one of the best ratios of tangible net shareholders' equity to tangible assets amongst major European banking groups,
  - a 10.3%<sup>(7)</sup> pro-forma EBA ratio as at September 30<sup>th</sup> 2012, compared with the 10.1% ratio as a result of the EBA exercise conducted on European banks' capital adequacy and based on end-of-June 2012 figures, and the 9% ratio threshold;
- **a low risk profile** with
  - the Group's securities portfolio at the end of September 2012 comprising Greek bonds (issued by the central and local governments) of 12 million euro, Irish bonds of 132 million euro and Portuguese bonds of 285 million euro.

\* \* \*

The Group had a **gross and net risk exposure** to structured credit products with underlying **US subprime** of 12 million euro as at September 30<sup>th</sup> 2012. Full and detailed information concerning structured credit products held by the Group is included - as usual - in the Interim Statement approved by the Management Board.

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As at September 30<sup>th</sup> 2012, the Intesa Sanpaolo Group's **operating structure** had a total network of 7,027 branches - of which 5,468 were in Italy and 1,559 abroad - with 97,144 employees.

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(7) Estimated on the basis of the Core Tier 1 ratio as at September 30<sup>th</sup> 2012 and the impact of sovereign risk valuation at fair value based on volumes and prices as at September 30<sup>th</sup> 2011.

## **Breakdown of results by business area**

The **Corporate and Investment Banking** Division includes:

- Large Corporate Italy, which presides over relations with large Italian corporates (mainly with a turnover exceeding 500 million euro);
- Mid Corporate, dedicated to Italian corporate customers with a turnover exceeding 150 million euro and mainly up to 500 million euro;
- International, responsible for relations with international corporates. This unit also presides over foreign branches, representative offices and international subsidiaries specialising in corporate banking (Société Européenne de Banque and Intesa Sanpaolo Bank Ireland) and provides specialist assistance in support of the internationalisation of Italian corporates and export development;
- Global Banking & Transaction, responsible for relations with Italian and international financial institutions, management of transactional services related to payment systems, custody and settlement of securities, mainly Italian (local custody);
- Banca IMI, which is in charge of investment banking operations, namely the creation of structured finance products and M&A consultancy services to the Group's clients, capital markets activities for the Group's clients and institutional operators in market making activities;
- Merchant Banking, which operates in the private equity area also through Private Equity International (PEI) and IMI Investimenti companies; and
- Banca Infrastrutture Innovazione e Sviluppo, operating in the public finance business, which provides services to government, public entities, local authorities, universities, public utilities, general contractors, public and private healthcare providers.

The Division also comprises the activities of Leasint, Centro Leasing, Mediofactoring and management of the Group's proprietary trading.

In the third quarter of 2012, the Corporate and Investment Banking Division recorded:

- operating income of 958 million euro, down 10.2% from 1,066 million euro in Q2 2012;
- operating costs of 238 million euro, down 5.4% from 251 million euro in Q2 2012;
- operating margin of 720 million euro, down 11.6% from 815 million euro in Q2 2012;
- a cost/income ratio of 24.8% versus 23.5% in Q2 2012;
- net provisions and adjustments of 376 million euro, compared with 337 million euro in Q2 2012;
- a zero balance of profits/losses on investments held to maturity and on other investments, compared with profits of 8 million euro in Q2 2012;
- income before tax from continuing operations of 345 million euro, down 29% from 485 million euro in Q2 2012;
- net income of 233 million euro, down 36.7% from 368 million euro in Q2 2012.

In the first nine months of 2012, the Corporate and Investment Banking Division recorded:

- operating income of 3,214 million euro, contributing approximately 24% of the consolidated operating income (25% in 9M 2011), up 2.4% from 3,139 million euro in 9M 2011;
- operating costs of 738 million euro, up 3.2% from 715 million euro in 9M 2011;
- operating margin of 2,476 million euro, up 2.1% from 2,424 million euro of 9M 2011;
- a cost/income ratio of 23% versus 22.8% in 9M 2011;
- net provisions and adjustments of 940 million euro from 843 million euro in 9M 2011;
- a zero balance of profits/losses on investments held to maturity and on other investments, compared with losses of 141 million euro in 9M 2011 (which included a 132 million euro impairment on the Telco investment);
- income before tax from continuing operations of 1,536 million euro, up 6.7% from 1,440 million euro in 9M 2011;
- net income of 1,065 million euro, up 18.3% from 900 million euro in 9M 2011.

The **Banca dei Territori** Division comprises:

- retail customers: households (individual customers with financial assets up to 100,000 euro), personal (individual customers with financial assets between 100,000 euro and one million euro), small businesses (enterprises with a turnover under 2.5 million euro and with loan facilities under one million euro);
- SME customers: SMEs with a turnover between 2.5 and 150 million euro; and
- Private customers: individual customers with financial assets exceeding one million euro.

The Division includes Intesa Sanpaolo Private Banking, the Group's company which serves private banking customers, and Banca Prossima, at the service of non-profit entities and operating through the Group's branches with regional centres and a team of specialists. In addition, the Banca dei Territori Division comprises product companies, namely Mediocredito Italiano, the Group's company which specialises in industrial credit, Intesa Sanpaolo Vita and Intesa Sanpaolo Previdenza operating in the insurance and pension business, the fiduciary service company SIREFID, the consumer credit companies Moneta and Neos Finance, and Setefi operating in electronic payments.

In the third quarter of 2012, the Banca dei Territori Division recorded:

- operating income of 2,527 million euro, up 0.5% from 2,516 million euro in Q2 2012;
- operating costs of 1,353 million euro, down 4% from 1,409 million euro in Q2 2012;
- operating margin of 1,174 million euro, up 6.1% from 1,107 million euro in Q2 2012;
- a cost/income ratio improving to 53.5% versus 56% in Q2 2012;
- net provisions and adjustments of 701 million euro, compared with 581 million euro in Q2 2012;
- income before tax from continuing operations of 472 million euro, down 10.1% from 525 million euro in Q2 2012;
- net income of 190 million euro, down 47.3% from 360 million euro in Q2 2012, but only a 4.4% decline taking out the tax benefit effect from the previous quarter.

In the first nine months 2012, the Banca dei Territori Division recorded:

- operating income of 7,551 million euro, contributing approximately 56% of the consolidated operating income (57% in 9M 2011), up 6.1% from 7,120 million euro in 9M 2011;
- operating costs of 4,157 million euro, down 3.2% from 4,293 million euro in 9M 2011;
- operating margin of 3,394 million euro, up 20.1% from 2,827 million euro in 9M 2011;
- a cost/income ratio improving to 55.1% versus 60.3% in 9M 2011;
- net provisions and adjustments of 1,873 million euro, compared with 1,605 million euro in 9M 2011;
- income before tax from continuing operations of 1,521 million euro, up 24.5% from 1,222 million euro in 9M 2011;
- net income of 769 million euro from 56 million euro in 9M 2011.

**Eurizon Capital**, the company specialised in providing collective and individual asset management products to the Group's internal banking networks, is developing increasingly effective synergies with the Banca dei Territori Division. The company is also focused on strengthening its presence in the "open architecture" segment through specific distribution agreements with other networks and institutional investors. Eurizon Capital controls Eurizon Capital (Luxembourg), a company specialised in managing Luxembourg mutual funds with low tracking error. It also controls Epsilon Associati, a company specialised in managing structured products and mutual funds using quantitative methods which is 51% owned by Eurizon Capital and 49% owned by Banca IMI. Eurizon Capital owns a 49% stake in a Chinese asset management company, Penghua Fund Management.

In the third quarter of 2012, Eurizon Capital recorded:

- operating income of 64 million euro, down 3.5% from 67 million euro in Q2 2012;
- operating costs of 25 million euro, down 10.2% from 28 million euro in Q2 2012;
- operating margin of 39 million euro, in line with Q2 2012;
- a cost/income ratio improving to 39.1% versus 41.8% in Q2 2012;
- provisions and adjustments of 2 million euro, the same as in Q2 2012;
- income before tax from continuing operations of 38 million euro, up 1.8% from 37 million euro in Q2 2012;
- net income of 21 million euro, in line with Q2 2012.

In the first nine months of 2012, Eurizon Capital recorded:

- operating income of 193 million euro, accounting for approximately 1% of the consolidated operating income (2% in 9M 2011), down 3% from 199 million euro in 9M 2011;
- operating costs of 82 million euro, down 11.8% from 93 million euro in 9M 2011;
- operating margin of 111 million euro, up 4.7% from 106 million euro in 9M 2011;
- a cost/income ratio improving to 42.5% versus 46.7% in 9M 2011;
- provisions and adjustments of 3 million euro, compared with no provisions and adjustments in 9M 2011;
- income before tax from continuing operations of 108 million euro, up 1.9% from 106 million euro in 9M 2011;
- net income of 59 million euro, up 9.3% from 54 million euro in 9M 2011.

The **International Subsidiary Banks** Division is responsible for activities in foreign markets where the Group is operational through commercial banking subsidiaries and associates. The Division provides guidelines, coordination and support to subsidiaries abroad that are mainly active in retail banking. It is responsible for defining the Group's development strategy related to its direct presence abroad, including exploring and analysing new growth opportunities in markets where the Group already has a presence, as well as in new ones. This Division also coordinates operations of international subsidiary banks and their relations with the Parent Company's head office departments and the Corporate and Investment Banking Division's branches and offices abroad. The Division is made up of three Departments which are in charge of the different geographical areas where it operates: i) the SEE Area which includes the banking subsidiaries in South-Eastern Europe, Privredna Banka Zagreb in Croatia, Banca Intesa Beograd in Serbia, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina, Intesa Sanpaolo Bank Albania, Intesa Sanpaolo Bank Romania and Banca CR Firenze Romania; ii) the CEE Area which includes the banking subsidiaries in Central-Eastern Europe, Banka Koper in Slovenia, VUB Banka in Slovakia and CIB Bank in Hungary; iii) the CIS & South Mediterranean Area which includes the banking subsidiaries: Banca Intesa in the Russian Federation, Pravex-Bank in Ukraine and Bank of Alexandria in Egypt.

In the third quarter of 2012, the International Subsidiary Banks Division recorded:

- operating income of 540 million euro, down 0.9% from 545 million euro in Q2 2012;
- operating costs of 295 million euro, up 2.1% from 289 million euro in Q2 2012;
- operating margin of 245 million euro, down 4.3% from 255 million euro in Q2 2012;
- a cost/income ratio of 54.6% versus 53% in Q2 2012;
- net provisions and adjustments of 195 million euro, compared with 168 million euro in Q2 2012;
- a zero balance of profits/losses on investments held to maturity and on other investments, compared with profits of 1 million euro in Q2 2012;
- income before tax from continuing operations of 50 million euro, down 43.3% from 88 million euro in Q2 2012;
- net income of 5 million euro from 29 million euro in Q2 2012.

In the first nine months of 2012, the International Subsidiary Banks Division recorded:

- operating income of 1,633 million euro, contributing approximately 12% of the consolidated operating income (14% in 9M 2011), down 8.5% from 1,784 million euro in 9M 2011;
- operating costs of 872 million euro, up 1.4% from 860 million euro in 9M 2011;
- operating margin of 761 million euro, down 17.6% from 924 million euro in 9M 2011;
- a cost/income ratio of 53.4% versus 48.2% in 9M 2011;
- net provisions and adjustments of 576 million euro, compared with 459 million euro in 9M 2011;
- profits on investments held to maturity and on other investments of 2 million euro, compared with 5 million euro in 9M 2011;
- income before tax from continuing operations of 187 million euro, down 60.2% from 470 million euro in 9M 2011;
- net income of 58 million euro, compared with 344 million euro in 9M 2011.

**Banca Fideuram** performs asset gathering activities serving customers with a medium to high savings potential through its network of private bankers. This business unit's operations include Fideuram Vita. In the third quarter of 2012, Banca Fideuram recorded:

- operating income of 245 million euro, up 40.5% from 174 million euro in Q2 2012;
- operating costs of 86 million euro, up 1.7% from 84 million euro in Q2 2012;
- operating margin of 159 million euro, up 76.9% from 90 million euro in Q2 2012;
- a cost/income ratio improving to 35.1% versus 48.3% in Q2 2012;
- net provisions and adjustments of 42 million euro, compared with 22 million euro in Q2 2012;
- losses on investments held to maturity and on other investments of 10 million euro, compared with the zero balance of the Q2 2011;
- income before tax from continuing operations of 107 million euro, up 56% from 69 million euro in Q2 2012;
- net income of 55 million euro, compared with 6 million euro in Q2 2012.

In the first nine months of 2012, Banca Fideuram recorded:

- operating income of 641 million euro, contributing approximately 5% of the consolidated operating income (the same as in 9M 2011), up 9% from 588 million euro in 9M 2011;
- operating costs of 255 million euro, down 3.8% from 265 million euro in 9M 2011;
- operating margin of 386 million euro, up 19.5% from 323 million euro in 9M 2011;

- a cost/income ratio improving to 39.8% versus 45.1% in 9M 2011;
- net provisions and adjustments of 90 million euro, compared with 135 million euro in 9M 2011;
- losses on investments held to maturity and on other investments of 10 million euro, compared with profits of 7 million euro in 9M 2011;
- income before tax from continuing operations of 286 million euro, up 46.7% from 195 million euro in 9M 2011;
- net income of 120 million euro, up 73.9% from 69 million euro in 9M 2011.

### **The outlook for 2012**

In the fourth quarter of 2012, the Intesa Sanpaolo Group will continue to prioritise the delivery of sustainable results. In addition, attention will be strongly focused on strengthening the capital base and improving the profile of risk and liquidity. Value creation will remain the main driver to the most effective ways of liquidity management. Risk management systems will be bolstered and the Group's efficiency and productivity will be constantly addressed.

Repricing actions that began in 2011 are continuing in 2012 and will make it possible to limit the impact of an expected negative environment on market rates for the fourth quarter of the year. Strict cost containment actions will counteract the effects of automatic pay increases and inflation. The cost of credit - albeit under control - will remain at a high level. In light of the above, operating performance, net of 2011 non-recurring items, is expected to remain broadly stable.

\* \* \*

For consistency purposes, the income statement figures were restated mainly due to two transactions:

1. the acquisition of control of Banca Monte Parma finalised in July 2011. For the first two quarters of 2011, relevant items were consolidated line by line and their contribution to net income was recorded under minority interests;
2. the acquisition of control of Banca Sara finalised in June 2011. The company was included in the scope of full consolidation in the income statement of the third quarter of 2011. For the first two quarters of 2011, relevant items were consolidated line by line and their contribution to net income was recorded under minority interests.

Still for consistency purposes, the balance sheet figures were restated:

1. for the first two quarters of 2011 consolidating line by line the items related to Banca Monte Parma;
2. for the first quarter of 2011 consolidating line by line the items related to Banca Sara.

Lastly, income statement and balance sheet figures relating to business areas were restated for the four quarters of 2011:

1. as a result of the attribution of the Banca Monte Parma contribution to the relevant business units (previously entirely attributed to the Banca dei Territori Division);
2. as a result of the allotment of BIIS (public finance) to the Corporate and Investment Banking Division.

\* \* \*

The adjusted net income was calculated excluding the main non-recurring items listed below:

in the first quarter of 2012: 1) 274 million euro capital gain on the Tier 1 notes buy back, recorded under profits on trading and related taxes, resulting in a net capital gain of 183 million euro, 2) 38 million euro impairment charges relating to Greek risk - of which 2 million euro were recorded under profits (losses) on trading, 7 million euro posted as a negative contribution to income from insurance business and 29 million euro booked under net impairment losses on other assets - and related tax savings, resulting in net impairment charges of 27 million euro, 3) 5 million euro extraordinary tax charge relating to the Group's subsidiary in Slovakia, recorded under other operating income (expenses), and related savings recorded under taxes on income from continuing operations, resulting in net expenses of 4 million euro, 4) 11 million euro extraordinary tax relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 5) 20 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 14 million euro, and 6) 73 million euro charges from purchase cost allocation, net of tax;

in the second quarter 2012: 1) 94 million euro capital gain on the sale of the stake in the London Stock Exchange, recorded under profits on trading, and related tax effects, resulting in a 105 million euro net capital gain, 2) 6 million euro income relating to Greek risk, recorded under income from insurance business, and related taxes, resulting in net income of 4 million euro, 3) 5 million euro extraordinary tax charge relating to the Group's subsidiary in Slovakia, recorded under other operating income (expenses), and related savings recorded under taxes on income from continuing operations, resulting in net expenses of 4 million euro, 4) 11 million euro extraordinary tax relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 5) 173 million euro tax benefit related to the refunding, for the fiscal years 2007-2011, of the deduction of Regional Business Tax (IRAP) paid on labour cost from Corporate Income Tax (IRES) taxable basis, recorded under taxes on income from continuing operations, 6) 14 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 10 million euro, and 7) 76 million euro charges from purchase cost allocation, net of tax;

in the third quarter of 2012: 1) 327 million euro capital gain on the subordinated and senior notes buy back, recorded under profits on trading and related taxes, resulting in a net capital gain of 219 million euro, 2) 5 million euro extraordinary tax charge relating to the Group's subsidiary in Slovakia, recorded under other operating income (expenses), and related savings recorded under taxes on income from continuing operations, resulting in net expenses of 4 million euro, 3) 11 million euro extraordinary tax relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 4) 17 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 11 million euro, and 5) 71 million euro charges from purchase cost allocation, net of tax;

in the first quarter 2011: 1) 11 million euro extraordinary tax relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 2) 6 million euro integration charges and related tax savings resulting in net integration charges of 4 million euro, and 3) 86 million euro charges from purchase cost allocation, net of tax;

in the second quarter 2011: 1) 272 million euro capital gain on the sale of 4% of the Prada equity stake recorded under profits on trading and related taxes resulting in 253 million euro net capital gain, 2) 154 million euro capital gain on the sale of the remaining 25% stake in Findomestic, recorded under profits on trading, related taxes and minority interest, resulting in a net capital gain for the Group of 128 million euro, 3) 25 million euro impairment charges relating to Greek government bonds maturing by 2020 recorded under net impairment losses on other assets, and related tax savings, resulting in net impairment charges of 17 million euro, 4) 146 million euro capital gain on the sale of branches to Crédit Agricole, recorded under profits on investments held to maturity and on other investments, related taxes and minority interests, resulting in a net capital gain for the Group of 145 million euro, 5) 132 million euro impairment charges relating to the Telco investment, recorded under profits on investments held to maturity and on other investments, 6) 11 million euro extraordinary tax relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 7) 18 million euro integration charges and related tax savings resulting in net integration charges of 12 million euro, and 8) 85 million euro charges from purchase cost allocation, net of tax;

in the third quarter 2011: 1) 597 million euro impairment charges relating to Greek risk - of which 3 million euro were recorded under profits (losses) on trading, 1 million euro posted as a negative contribution to income from insurance business and 593 million euro booked under net impairment losses on other assets - and related tax savings, resulting in net impairment charges of 427 million euro, 2) 1,100 million euro tax benefit from the recognition of deferred tax assets and the substitute tax charge relating to realignment of intangible assets, recorded under taxes on income from continuing operations, 3) 11 million euro extraordinary tax relating to the Group's subsidiary in Hungary, recorded under taxes on income from continuing operations, 4) 666 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 483 million euro, and 5) 83 million euro charges from purchase cost allocation, net of tax;

in the fourth quarter 2011: 1) 390 million euro impairment charges relating to Greek risk - of which 66 million euro were recorded under profits (losses) on trading, 3 million euro posted as a negative contribution to income from insurance business and 321 million euro booked under net impairment losses on other assets - and related tax savings, resulting in net impairment charges of 276 million euro, 2) 298 million euro charges relating to the strengthening of the reserve on performing loans, included in net adjustments to loans, and related tax savings resulting in net charges of 216 million euro, 3) 282 million euro charges relating to the strengthening of restructured loan coverage, included in net adjustments to loans, and related tax savings resulting in net charges of 204 million euro, 4) 131 million euro loss on forex mortgages concerning the Group's subsidiary in Hungary, included in net adjustments to loans, and related tax savings resulting in net charges of 76 million euro, 5) 23 million euro adjustment on the capital gain from the branch sale to Crédit Agricole recorded under profits on investments held to maturity and on other investments, 6) 119 million euro impairment charges on the Telco investment, recorded under profits on investments held to maturity and on other investments, 7) 1,030 million euro tax benefit from the recognition of deferred tax assets and the substitute tax charge relating to the realignment of intangibles, recorded under taxes on income from continuing operations, 8) 147 million euro charges from the settlement of the dispute with the Italian Revenue Agency ("misuse of a right") recorded under taxes on income from continuing operations, 9) 76 million euro charges for integration and exit incentives and related tax savings resulting in net charges of 53 million euro, 10) 67 million euro from purchase cost allocation, and 11) 10,233 million goodwill impairment.

\* \* \*

*In order to present more complete information on the results generated in the first nine months of 2012, the reclassified consolidated income statement and the reclassified consolidated balance sheet included in the interim statement approved by the Management Board are attached. Please note that these statements and the interim statement have not been reviewed by the auditing company.*

\* \* \*

**The manager responsible for preparing the company's financial reports, Ernesto Riva, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.**

\* \* \*

The content of this document has a merely informative and provisional nature and is not to be construed as providing investment advice. The statements contained herein have not been independently verified. No representation or warranty, either express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness, correctness or reliability of the information contained herein. Neither the Company nor any of its representatives shall accept any liability whatsoever (whether in negligence or otherwise) arising in any way in relation to such information or in relation to any loss arising from its use or otherwise arising in connection with this document. By accessing these materials, you agree to be bound by the foregoing limitations.

This press release contains certain forward-looking statements, projections, objectives, estimates and forecasts reflecting the Intesa Sanpaolo management's current views with respect to certain future events. Forward-looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words "may," "will," "should," "plan," "expect," "anticipate," "estimate," "believe," "intend," "project," "goal" or "target" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding Intesa Sanpaolo's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where Intesa Sanpaolo participates or is seeking to participate.

Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. The Intesa Sanpaolo Group's ability to achieve its projected objectives or results is dependent on many factors which are outside management's control. Actual results may differ materially from (and be more negative than) those projected or implied in the forward-looking statements. Such forward-looking information involves risks and uncertainties that could significantly affect expected results and is based on certain key assumptions.

All forward-looking statements included herein are based on information available to Intesa Sanpaolo as of the date hereof. Intesa Sanpaolo undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All subsequent written and oral forward-looking statements attributable to Intesa Sanpaolo or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

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# Gruppo Intesa Sanpaolo

## Reclassified consolidated statement of income

	30.09.2012	30.09.2011	(millions of euro)	
			Changes	
			amount	%
Net interest income	7,249	7,239	10	0.1
Dividends and profits (losses) on investments carried at equity	28	67	-39	-58.2
Net fee and commission income	3,972	4,127	-155	-3.8
Profits (Losses) on trading	1,500	747	753	
Income from insurance business	669	335	334	99.7
Other operating income (expenses)	-31	5	-36	
Operating income	13,387	12,520	867	6.9
Personnel expenses	-4,004	-4,071	-67	-1.6
Other administrative expenses	-2,140	-2,239	-99	-4.4
Adjustments to property, equipment and intangible assets	-472	-461	11	2.4
Operating costs	-6,616	-6,771	-155	-2.3
Operating margin	6,771	5,749	1,022	17.8
Net provisions for risks and charges	-140	-112	28	25.0
Net adjustments to loans	-3,253	-2,200	1,053	47.9
Net impairment losses on other assets	-141	-709	-568	-80.1
Profits (Losses) on investments held to maturity and on other investments	-13	40	-53	
Income (Loss) before tax from continuing operations	3,224	2,768	456	16.5
Taxes on income from continuing operations	-1,232	-66	1,166	
Charges (net of tax) for integration and exit incentives	-35	-499	-464	-93.0
Effect of purchase price allocation (net of tax)	-220	-254	-34	-13.4
Goodwill impairment (net of tax)	-	-	-	-
Income (Loss) after tax from discontinued operations	-	-	-	-
Minority interests	-49	-20	29	
<b>Net income (loss)</b>	<b>1,688</b>	<b>1,929</b>	<b>-241</b>	<b>-12.5</b>
Basic EPS - euro	0.10	0.14		
Diluted EPS - euro	0.10	0.14		

Figures restated where required by international accounting standards and, where necessary, considering the changes in the scope of consolidation.

# Gruppo Intesa Sanpaolo

## Quarterly development of the reclassified consolidated statement of income

(millions of euro)

	2012			2011			
	Third quarter	Second quarter	First quarter	Fourth quarter	Third quarter	Second quarter	First quarter
Net interest income	2,317	2,431	2,501	2,541	2,479	2,368	2,392
Dividends and profits (losses) on investments carried at equity	-27	29	26	5	26	34	7
Net fee and commission income	1,333	1,322	1,317	1,339	1,322	1,410	1,395
Profits (Losses) on trading	623	161	716	173	-74	541	280
Income from insurance business	216	195	258	205	50	165	120
Other operating income (expenses)	-19	-7	-5	2	-3	-3	11
Operating income	4,443	4,131	4,813	4,265	3,800	4,515	4,205
Personnel expenses	-1,295	-1,353	-1,356	-1,348	-1,324	-1,375	-1,372
Other administrative expenses	-711	-735	-694	-841	-752	-766	-721
Adjustments to property, equipment and intangible assets	-160	-155	-157	-177	-159	-153	-149
Operating costs	-2,166	-2,243	-2,207	-2,366	-2,235	-2,294	-2,242
Operating margin	2,277	1,888	2,606	1,899	1,565	2,221	1,963
Net provisions for risks and charges	-69	-34	-37	-106	-18	-80	-14
Net adjustments to loans	-1,198	-1,082	-973	-2,043	-695	-823	-682
Net impairment losses on other assets	-43	-39	-59	-360	-635	-57	-17
Profits (Losses) on investments held to maturity and on other investments	-5	-2	-6	-139	7	19	14
Income (Loss) before tax from continuing operations	962	731	1,531	-749	224	1,280	1,264
Taxes on income from continuing operations	-454	-152	-626	976	894	-464	-496
Charges (net of tax) for integration and exit incentives	-11	-10	-14	-53	-483	-12	-4
Effect of purchase price allocation (net of tax)	-71	-76	-73	-67	-83	-85	-86
Goodwill impairment (net of tax)	-	-	-	-10,233	-	-	-
Income (Loss) after tax from discontinued operations	-	-	-	-	-	-	-
Minority interests	-12	-23	-14	7	-25	22	-17
<b>Net income (loss)</b>	<b>414</b>	<b>470</b>	<b>804</b>	<b>-10,119</b>	<b>527</b>	<b>741</b>	<b>661</b>

Figures restated where required by international accounting standards and, where necessary, considering the changes in the scope of consolidation.

# Gruppo Intesa Sanpaolo

## Reclassified consolidated balance sheet

Assets	30.09.2012	31.12.2011	(millions of euro)	
			Changes	
			amount	%
Financial assets held for trading	70,034	59,963	10,071	16.8
of which: Insurance Companies	1,102	1,341	-239	-17.8
Financial assets designated at fair value through profit and loss	36,546	34,253	2,293	6.7
of which: Insurance Companies	35,486	33,391	2,095	6.3
Financial assets available for sale	88,317	68,777	19,540	28.4
of which: Insurance Companies	41,709	39,194	2,515	6.4
Investments held to maturity	2,224	2,621	-397	-15.1
Due from banks	36,580	35,865	715	2.0
Loans to customers	374,807	376,744	-1,937	-0.5
Investments in associates and companies subject to joint control	2,794	2,630	164	6.2
Property, equipment and intangible assets	20,238	20,577	-339	-1.6
Tax assets	12,786	14,702	-1,916	-13.0
Non-current assets held for sale and discontinued operations	28	26	2	7.7
Other assets	24,311	23,063	1,248	5.4
<b>Total Assets</b>	<b>668,665</b>	<b>639,221</b>	<b>29,444</b>	<b>4.6</b>
Liabilities and Shareholders' Equity	30.09.2012	31.12.2011	Changes	
			amount	%
Due to banks	74,573	78,644	-4,071	-5.2
Due to customers and securities issued	373,443	357,410	16,033	4.5
of which: Insurance Companies	106	403	-297	-73.7
Financial liabilities held for trading	55,779	48,740	7,039	14.4
of which: Insurance Companies	68	29	39	
Financial liabilities designated at fair value through profit and loss	26,278	22,653	3,625	16.0
of which: Insurance Companies	25,938	21,955	3,983	18.1
Tax liabilities	3,292	4,064	-772	-19.0
Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-
Other liabilities	27,409	24,225	3,184	13.1
Technical reserves	53,468	50,761	2,707	5.3
Allowances for specific purpose	4,585	4,966	-381	-7.7
Share capital	8,546	8,546	-	-
Reserves	40,906	49,982	-9,076	-18.2
Valuation reserves	-1,955	-3,298	-1,343	-40.7
Minority interests	653	718	-65	-9.1
Net income (loss)	1,688	-8,190	9,878	
<b>Total Liabilities and Shareholders' Equity</b>	<b>668,665</b>	<b>639,221</b>	<b>29,444</b>	<b>4.6</b>

Figures restated where required by international accounting standards and, where necessary, considering the changes in the scope of consolidation and discontinued operations.

# Gruppo Intesa Sanpaolo

## Quarterly development of the reclassified consolidated balance sheet

(millions of euro)

Assets	2012			2011			
	30/9	30/6	31/3	31/12	30/9	30/6	31/3
Financial assets held for trading	70,034	66,080	60,328	59,963	69,934	60,584	61,141
of which: Insurance Companies	1,102	1,257	1,331	1,341	1,371	1,625	1,690
Financial assets designated at fair value through profit and loss	36,546	37,842	35,971	34,253	35,212	36,303	36,349
of which: Insurance Companies	35,486	36,763	35,015	33,391	34,345	35,354	35,230
Financial assets available for sale	88,317	88,408	85,224	68,777	70,950	69,007	64,845
of which: Insurance Companies	41,709	41,082	40,623	39,194	40,733	41,837	41,137
Investments held to maturity	2,224	2,222	2,266	2,621	2,872	2,865	3,021
Due from banks	36,580	35,826	32,431	35,865	40,449	43,258	40,449
Loans to customers	374,807	374,953	378,050	376,744	381,192	374,979	377,252
Investments in associates and companies subject to joint control	2,794	2,795	2,672	2,630	2,732	2,694	2,817
Property, equipment and intangible assets	20,238	20,341	20,465	20,577	30,876	30,798	30,903
Tax assets	12,786	13,313	12,340	14,702	11,259	7,886	8,079
Non-current assets held for sale and discontinued operations	28	27	26	26	30	38	35
Other assets	24,311	24,610	22,857	23,063	21,816	19,182	20,703
<b>Total Assets</b>	<b>668,665</b>	<b>666,417</b>	<b>652,630</b>	<b>639,221</b>	<b>667,322</b>	<b>647,594</b>	<b>645,594</b>
<b>Liabilities and Shareholders' Equity</b>	<b>2012</b>			<b>2011</b>			
	<b>30/9</b>	<b>30/6</b>	<b>31/3</b>	<b>31/12</b>	<b>30/9</b>	<b>30/6</b>	<b>31/3</b>
Due to banks	74,573	83,617	75,744	78,644	72,978	50,182	51,087
Due to customers and securities issued	373,443	365,639	368,657	357,410	369,459	389,511	392,736
of which: Insurance Companies	106	117	343	403	368	389	405
Financial liabilities held for trading	55,779	54,921	47,907	48,740	53,952	38,216	37,431
of which: Insurance Companies	68	26	23	29	76	43	42
Financial liabilities designated at fair value through profit and loss	26,278	24,854	24,496	22,653	23,558	24,729	25,201
of which: Insurance Companies	25,938	24,417	23,637	21,955	22,814	23,969	24,403
Tax liabilities	3,292	2,931	3,149	4,064	4,857	3,299	3,342
Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-
Other liabilities	27,409	28,811	24,640	24,225	26,697	24,330	23,765
Technical reserves	53,468	52,310	53,023	50,761	52,217	52,887	51,896
Allowances for specific purpose	4,585	4,678	4,945	4,966	4,978	4,405	4,561
Share capital	8,546	8,546	8,546	8,546	8,546	8,546	6,647
Reserves	40,906	40,882	41,800	49,982	49,906	49,924	47,920
Valuation reserves	-1,955	-2,704	-1,805	-3,298	-2,827	-937	-766
Minority interests	653	658	724	718	1,072	1,100	1,113
Net income (loss)	1,688	1,274	804	-8,190	1,929	1,402	661
<b>Total Liabilities and Shareholders' Equity</b>	<b>668,665</b>	<b>666,417</b>	<b>652,630</b>	<b>639,221</b>	<b>667,322</b>	<b>647,594</b>	<b>645,594</b>

Figures restated where required by international accounting standards and, where necessary, considering the changes in the scope of consolidation and discontinued operations.

# Gruppo Intesa Sanpaolo

## Breakdown of financial highlights by business area

Income statement (millions of euro)	Corporate and Investment Banking		Banca dei Territori		International Subsidiary Banks		Eurizon Capital		Banca Fideuram	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011	30.09.2012	30.09.2011	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Operating income	3,214	3,139	7,551	7,120	1,633	1,784	193	199	641	588
Operating costs	-738	-715	-4,157	-4,293	-872	-860	-82	-93	-255	-265
Operating margin	2,476	2,424	3,394	2,827	761	924	111	106	386	323
Net income (loss)	1,065	900	769	56	58	344	59	54	120	69

Balance sheet (millions of euro)	Corporate and Investment Banking		Banca dei Territori		International Subsidiary Banks		Eurizon Capital		Banca Fideuram	
	30.09.2012	31.12.2011	30.09.2012	31.12.2011	30.09.2012	31.12.2011	30.09.2012	31.12.2011	30.09.2012	31.12.2011
Loans to customers	146,805	149,201	181,435	187,435	30,070	30,676	103	109	3,499	3,439
Direct deposits from banking business	101,127	90,528	200,524	197,280	31,816	30,667	7	9	6,891	6,367

Figures restated where required by international accounting standards and, where necessary, considering the changes in the scope of consolidation and in business unit constituents and discontinued operations.